

**BATON ROUGE COMMUNITY COLLEGE  
FOUNDATION**

**(A NON-PROFIT ORGANIZATION)**

**FINANCIAL STATEMENTS**

**June 30, 2005**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 9/13/06

**Provost** Certified  
**Salter** Public  
**Harper** Accountants  
**Alford LLC** Business  
Advisors

9550 United Plaza Boulevard, Suite 600, Baton Rouge, Louisiana 70809, Phone: (225) 924-1772 / Facsimile: (225) 927-9875

---

# **BATON ROUGE COMMUNITY COLLEGE FOUNDATION**

---

## ***Table of Contents***

***June 30, 2005***

<b>INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS</b>	<b>1</b>
<b>FINANCIAL STATEMENTS</b>	
Statements of Financial Position	2
Statement of Activities – June 30, 2005	3
Statement of Activities – June 30, 2004	4
Statements of Cash Flows	5
Notes to Financial Statements	6
<b>INDEPENDENT AUDITOR'S REPORT ON ADDITIONAL INFORMATION</b>	<b>11</b>
Statement of Functional Expenses – June 30, 2005	12
Statement of Functional Expenses – June 30, 2004	13



Certified  
Public  
Accountants

Business  
Advisors

## INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

To the Board of Trustees  
Baton Rouge Community College Foundation

We have audited the accompanying statements of financial position of Baton Rouge Community College Foundation (a nonprofit organization) as of June 30, 2005 and 2004, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Baton Rouge Community College Foundation as of June 30, 2005 and 2004, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

PROVOST, SALTER, HARPER & ALFORD, LLC

*Provost, Salter, Harper & Alford, LLC*

April 7, 2006

---

## BATON ROUGE COMMUNITY COLLEGE FOUNDATION

---

### Statements of Financial Position

June 30, 2005 and 2004

ASSETS	2005	2004
<b>Current Assets</b>		
Cash	\$ 159,510	\$ 141,846
Unconditional promises to give - restricted	5,000	-
Prepays and other	1,062	1,813
Total current assets	165,572	143,659
<b>Endowments</b>		
Endowed professorships	160,000	100,000
Unconditional promises to give - endowments	20,000	-
Accumulated interest income	2,611	1,242
Total Endowed Professorships	182,611	101,242
<b>Total Assets</b>	<b>\$ 348,183</b>	<b>\$ 244,901</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Liabilities</b>		
Accounts Payable	\$ 15,081	\$ -
Chancellor supplemental compensation payable	-	10,000
Due to BRCC	36,000	12,000
Funds held in custody-LCTCS	25,792	-
Funds held in custody-State of Louisiana	60,000	60,000
Total liabilities	136,873	82,000
<b>Net Assets</b>		
Unrestricted net assets (deficit)	(67,792)	(36,286)
Temporarily restricted net assets	159,102	159,187
Permanently restricted net assets	120,000	40,000
Total net assets	211,310	162,901
<b>Total Liabilities and Net Assets</b>	<b>\$ 348,183</b>	<b>\$ 244,901</b>

# BATON ROUGE COMMUNITY COLLEGE FOUNDATION

*Statement of Activities*

*Year ended June 30, 2005*

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>Revenue and Support</b>				
Contributions	\$ 4,450	\$ 200,003	\$ 80,000	\$ 284,453
Interest and other income	2,152	1,684	-	3,836
Net assets released from restrictions	201,772	(201,772)	-	-
<b>Total Revenue and Support</b>	<b>208,374</b>	<b>(85)</b>	<b>80,000</b>	<b>288,289</b>
<b>Expenses</b>				
Program services				
Scholarships	30,836	-	-	30,836
Chancellor supplemental compensation	10,000	-	-	10,000
College support	178,814	-	-	178,814
<b>Total program services</b>	<b>219,650</b>	<b>-</b>	<b>-</b>	<b>219,650</b>
General and administrative	20,230	-	-	20,230
Fund raising	-	-	-	-
<b>Total Expenses</b>	<b>239,880</b>	<b>-</b>	<b>-</b>	<b>239,880</b>
<b>Change in Net Assets</b>	<b>(31,506)</b>	<b>(85)</b>	<b>80,000</b>	<b>48,409</b>
<b>Net Assets</b>				
Beginning of year	(36,286)	159,187	40,000	162,901
End of year	\$ (67,792)	\$ 159,102	\$ 120,000	\$ 211,310

---

**BATON ROUGE COMMUNITY COLLEGE FOUNDATION**

---

**Statement of Activities****Year ended June 30, 2004**

	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Permanently Restricted</b>	<b>Total</b>
<b>Revenue and Support</b>				
Contributions	\$ 14,345	\$ 102,060	\$ -	\$ 116,405
Interest and other income	2,993	-	-	2,993
Net assets released from restrictions	65,575	(65,575)	-	-
<b>Total Revenue and Support</b>	<b>82,913</b>	<b>36,485</b>	<b>-</b>	<b>119,398</b>
<b>Expenses</b>				
Program Services				
Scholarships	28,205	-	-	28,205
Chancellor supplemental compensation	10,000	-	-	10,000
College support	80,162	-	-	80,162
<b>Total program services</b>	<b>118,367</b>	<b>-</b>	<b>-</b>	<b>118,367</b>
General and Administrative	5,182	-	-	5,182
Fund raising	2,805	-	-	2,805
<b>Total Expenses</b>	<b>126,354</b>	<b>-</b>	<b>-</b>	<b>126,354</b>
<b>Change in Net Assets</b>	<b>(43,441)</b>	<b>36,485</b>	<b>-</b>	<b>(6,956)</b>
<b>Net Assets</b>				
Beginning of year	7,155	122,702	40,000	169,857
End of year	\$ (36,286)	\$ 159,187	\$ 40,000	\$ 162,901

---

**BATON ROUGE COMMUNITY COLLEGE FOUNDATION**

---

**Statements of Cash Flows****Years ended June 30, 2005 and 2004**

	2005	2004
<b>Cash Flows From Operating Activities</b>		
Change in net assets	\$ 48,409	\$ (6,956)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
(Increase) in unconditional promises to give - restricted	(5,000)	-
Decrease (increase) in prepaids and other	751	(1,412)
(Increase) in endowed professorships	(60,000)	-
(Increase) in unconditional promises to give - endowments	(20,000)	-
(Increase) in accumulated interest income	(1,369)	(656)
Increase in accounts payable	15,081	10,000
(Decrease) in chancellor supplemental compensation payable	(10,000)	-
Increase in due to BRCC	24,000	-
Increase in funds held in custody-LCTCS	25,792	-
	<hr/>	<hr/>
<b>Net Cash Provided By Operating Activities</b>	<b>17,664</b>	<b>976</b>
	<hr/>	<hr/>
<b>Cash</b>		
Beginning of year	141,846	140,870
	<hr/>	<hr/>
End of year	<b>\$ 159,510</b>	<b>\$ 141,846</b>

---

# BATON ROUGE COMMUNITY COLLEGE FOUNDATION

---

## Notes to Financial Statements

June 30, 2005

### 1. Nature of Activities and Significant Accounting Policies

**Nature of Activities.** In April 1998, Baton Rouge Community College Foundation (the Foundation) was established. The Foundation was developed to provide financial and human resources for academic and vocational education programs for the Baton Rouge Community College (the College). The Foundation will provide this support through contributions from individuals, business and professional groups, and philanthropic organizations.

The Foundation depends primarily on donor support; therefore, future operating results are contingent on the Foundation's continuing ability to secure contributions from donors.

A summary of the Foundation's significant account policies follows.

**Basis of Accounting.** The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Foundation and changes therein are classified and reported as follows:

**Unrestricted net assets** – Net assets that are not subject to donor-imposed stipulations are classified as unrestricted.

**Temporarily restricted net assets** – Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Foundation and/or the passage of time are classified as temporarily restricted. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

**Permanently restricted net assets** – Net assets subject to donor-imposed stipulations that they be maintained permanently by the Foundation are classified as permanently restricted. Generally, the donors of these assets permit the Foundation to use all or part of the income earned or any related expenses for general or specific purposes.

**Cash and Cash Equivalents.** For purposes of reporting the statement of cash flows, the Foundation considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

The Foundation's cash accounts are maintained in a commercial bank located in Baton Rouge, Louisiana. The total amount on deposit in that bank exceeded the federally insured limits at June 30, 2005 by \$226,252.



---

## BATON ROUGE COMMUNITY COLLEGE FOUNDATION

---

### Notes to Financial Statements, Continued

June 30, 2005

**Non-Monetary Transactions.** The College provides the use of their facilities, office equipment and personnel at no cost to the Foundation.

**Fund Raising Costs.** The Foundation incurs fund-raising costs to persuade potential donors to make contributions to the Foundation. These costs are expensed as incurred.

**Promises to Give.** Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Under SFAS No. 116, *Accounting for Contributions Received and Contributions Made*, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions.

**Donated Services.** Contributions of services are recognized if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. No professional services were donated in 2005 or 2004.

**Income Taxes.** The Foundation is exempt from Federal income taxes under § 501(c)(3) of the Internal Revenue Code and therefore has made no provision for Federal income taxes. In addition, the Foundation has been determined by the Internal Revenue Service not to be a private foundation, within the meaning of § 509(a) of the Code.

**Estimates.** The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

### 3. Promises to Give

Unconditional promises to give consisted of the following:

	2005	2004
Temporarily Restricted to Chancellor's Fund	\$ 5,000	\$ -
Permanently Restricted to Endowment	\$ 20,000	\$ -

Promises to give are due in less than one year. Accordingly, they are not discounted and reflected at the present value of estimated future cash flows.

---

## **BATON ROUGE COMMUNITY COLLEGE FOUNDATION**

---

*Notes to Financial Statements, Continued*

*June 30, 2005*

### **4. Due to BRCC**

The Foundation incurred a liability in 2002 for payments made by the College. The Board of Trustees of the Foundation has agreed to repay \$12,000 by remitting \$1,000 annually for the next 12 years, beginning July 1, 2005.

In April of 2005 the Foundation received \$24,000 which should have gone to the College. Subsequent to year end, the Foundation returned these funds to the College.

### **5. Funds Held in Custody-LCTCS**

The Foundation received \$125,000 of funds from a grant which was given to the Louisiana Community and Technical College System (LCTCS) by the Ford Foundation for education and scholarship. The Foundation is only responsible for the disbursement of the funds. The responsibility for compliance with grant restrictions and reporting is handled by the LCTCS. The remaining balance on the grant at year end was \$25,792.

Subsequent to year end the LCTCS began the process of establishing its own foundation to handle grants such as the Ford Foundation Grant, which has received an additional \$475,000 subsequent to year end, and administer the LCTCS Presidents Fund currently maintained by the Baton Rouge Community College Foundation.

### **6. Chancellor Compensation**

The Chancellor of Baton Rouge Community College, in accordance with Louisiana Community and Technical College System (LCTCS) Board of Supervisors approval, receives a salary supplement derived from funds of the Foundation and annual interest accrued from the Sean and Jennifer Eplett Reilly Chancellor's Endowed Professorship for Leadership Excellence at the Baton Rouge Community College, which is maintained by the Foundation. In 2003, the Board of Trustees of the Foundation approved an annual disbursement of \$10,000 to be made to the Chancellor for the work performed in connection with the College. The Chancellor receives no compensation for services rendered to the Foundation. This disbursement was repeated during the fiscal years ending June 30, 2005 and June 30, 2004.

# BATON ROUGE COMMUNITY COLLEGE FOUNDATION

Notes to Financial Statements, Continued

June 30, 2005

## 7. Temporarily Restricted Net Assets

Temporarily Restricted	College Support	Process Technology	College Scholarships	Baseball Development	College Athletics	Total
Balance: July 1, 2003	\$ 9,323	\$ 55,321	\$ 33,058	\$ 25,000	\$ -	\$ 122,702
Contributions	61,338	5,054	35,668	-	-	102,060
Interest income and miscellaneous	-	-	-	-	-	-
Released from restrictions	(44,374)	(5,138)	(14,697)	(1,366)	-	(65,575)
Balance: June 30, 2004	26,287	55,237	54,029	23,634	-	159,187
Contributions	195,170	-	4,633	-	200	200,003
Interest income and miscellaneous	1,621	-	-	63	-	1,684
Released from restrictions	(145,416)	(233)	(29,611)	(23,697)	(2,815)	(201,772)
Balance: June 30, 2005	\$ 77,662	\$ 55,004	\$ 29,051	\$ -	\$ (2,615)	\$ 159,102

## 8. Permanently Restricted Net Assets and Funds Held in Custody-State of Louisiana

### Reilly Endowed Professorship

On May 31, 2002, the Foundation established the Sean and Jennifer Eplett Reilly Chancellor's Endowed Professorship for Leadership Excellence. The endowment was established with \$60,000 from the Louisiana Educational Quality Support Fund which is considered "funds held in custody" and a \$40,000 contribution of private funds, which are considered to be permanently restricted. These funds are required to be deposited in a separate bank account. The corpus of \$100,000 cannot be spent, but investment results can be spent in accordance with the investment policy outlined in the Endowment agreement.

### Box Endowed Professorship

On April 1, 2005, the Foundation established the Hallie H. Box Endowed Professorship in Business and Technology. The endowment was established with an initial contribution of private funds of \$20,000 and a pledge of private funds of \$20,000 due in April of 2006. Upon completion of the pledge the funds will qualify for state matching funds of \$60,000 under the Board of Regents Support Fund. The funds are considered permanently restricted and are required to be deposited in a separate bank account. The initial contribution, pledge and final corpus totaling \$100,000 cannot be spent, but investment results can be spent in accordance with the investment policy outlined in the endowment agreement. The endowment will be used for support of the academic activities of the professorship. The recipient of this professorship shall be selected by the Dean of the College and approved by the Chancellor of the College. The state matching funds will be applied for in 2006-2007.

## BATON ROUGE COMMUNITY COLLEGE FOUNDATION

Notes to Financial Statements, Continued

June 30, 2005

### Manship Endowed Professorship

On June 28, 2005, the Foundation established the Jane French Manship Endowed Professorship to benefit the Department of English at Baton Rouge Community College. The endowment was established through a private contribution of \$40,000. These funds qualify for state matching funds of \$60,000 under the Board of Regents Support Fund which will be applied for. The funds are considered permanently restricted and are required to be deposited in a separate bank account. The initial contribution and final corpus totaling \$100,000 cannot be spent, but investment results can be spent in accordance with the investment policy outlined in the endowment agreement. The endowment will be used for support of the academic activities of the professorship. The recipient of this professorship shall be selected by the Dean of the College and approved by the Chancellor of the College. The state matching funds will be applied for in 2006-2007.

### Albritton Endowed Professorship

Subsequent to year end on August 1, 2005, the Foundation established the Michael J. and Leslie Greely Albritton Endowed Professorship in the Film and Entertainment Department of Arts and Liberal Arts. The endowment was established with an initial contribution of private funds of \$20,000 and a pledge of private funds of \$20,000 due in August of 2006. Upon completion of the pledge the funds will qualify for state matching funds of \$60,000 under the Board of Regents Support Fund. The funds are considered permanently restricted and are required to be deposited in a separate bank account. The initial contribution, pledge and final corpus totaling \$100,000 cannot be spent, but investment results can be spent in accordance with the investment policy outlined in the endowment agreement. The endowment will be used for support of the academic activities of the professorship. The recipient of this professorship shall be selected by the Dean of the College and approved by the Chancellor of the College.

Permanently Restricted	Reilly Endowed Professorship	Box Endowed Professorship	Manship Endowed Professorship	Total
Balance: July 1, 2003	\$ 40,000	\$ -	\$ -	\$ 40,000
Contributions	-	-	-	-
Balance: June 30, 2004	40,000	-	-	40,000
Contributions	-	40,000	40,000	80,000
Balance: June 30, 2005	\$ 40,000	\$ 40,000	\$ 40,000	\$ 120,000



Certified  
Public  
Accountants

Business  
Advisors

## INDEPENDENT AUDITOR'S REPORT ON ADDITIONAL INFORMATION

To the Board of Trustees  
Baton Rouge Community College Foundation

Our report on our audit of the basic financial statements of Baton Rouge Community College Foundation (a nonprofit organization) as of June 30, 2005 and 2004 appears on page 1. We conducted our audit in accordance with auditing standards generally accepted in the United States of America for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedule of functional expenses is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

PROVOST, SALTER, HARPER & ALFORD, LLC

*Provost, Salter, Harper & Alford, LLC*

April 7, 2006

# BATON ROUGE COMMUNITY COLLEGE FOUNDATION

*Statement of Functional Expense*

*Year ended June 30, 2005*

	Program Services				
	Chancellor		College Support	General and Administrative	Fund Raising
	Scholarships	Supplemental Compensation			
Advertising	\$ -	\$ -	\$ 5,417	\$ -	\$ -
Accounting	-	-	-	19,480	-
Awards	-	-	5,414	-	-
Chancellor's compensation	-	10,000	-	-	-
Dues and subscriptions	-	-	251	-	-
Travel and meals	-	-	129,390	-	-
Instructor	-	-	406	-	-
Insurance	-	-	-	750	-
Memberships	-	-	15,536	-	-
Miscellaneous	-	-	7,220	-	-
Office supplies	-	-	2,160	-	-
Postage and delivery	-	-	247	-	-
Printing and reproduction	-	-	3,263	-	-
Scholarships	30,836	-	-	-	-
Special events	-	-	9,210	-	-
Student awards banquet	-	-	300	-	-
	<b>\$ 30,836</b>	<b>\$ 10,000</b>	<b>\$ 178,814</b>	<b>\$ 20,230</b>	<b>\$ -</b>

# BATON ROUGE COMMUNITY COLLEGE FOUNDATION

*Statement of Functional Expense*

*Year ended June 30, 2004*

	Program Services				
	Chancellor		College Support	General and Administrative	Fund Raising
	Scholarships	Supplemental Compensation			
Advertising	\$ -	\$ -	\$ 1,714	\$ -	\$ -
Accounting	-	-	-	1,409	-
Automobile expense	-	-	3,833	-	-
Awards	-	-	5,715	-	-
Convocation	-	-	3,723	-	-
Chancellors compensation	-	10,000	-	-	-
Dues and subscriptions	-	-	2,421	-	-
Travel and meals	-	-	21,006	1,202	-
Instructor	-	-	3,525	-	-
Insurance	-	-	-	438	-
Meetings	-	-	3,992	-	-
Memberships	-	-	2,592	-	-
Miscellaneous	-	-	9,050	1,965	2,167
Postage and delivery	-	-	37	168	-
Printing and reproduction	-	-	-	-	638
Scholarships	28,205	-	-	-	-
Special events	-	-	17,257	-	-
Student recognition	-	-	5,297	-	-
	\$ 28,205	\$ 10,000	\$ 80,162	\$ 5,182	\$ 2,805